

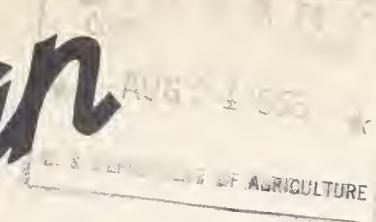
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# Foreign



# CROPS AND MARKETS

VOLUME 73

FOR RELEASE MONDAY, AUGUST 20, 1956

NUMBER 8

## NOTICE

You are reminded that if you did not return the mailing list notice which appeared on the back cover of the July 2 issue, your name will be automatically dropped from the mailing list on August 27, 1956. Kindly notify us by that date if you still wish to receive Foreign Crops and Markets.

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**THAILAND EXPORTS 4.5 MILLION  
POUNDS OF TOBACCO**

About 4.5 million pounds of Thai flue-cured tobacco has been exported since October 1955. Most of this was destined to the United Kingdom and Continental Europe, according to recent reports. Reportedly, most of this tobacco was shipped during the months of December, January and February.

These foreign sales were arranged by a British firm under a plan approved by Thailand Government officials. The leaf was sold to the British firm by the Thailand Tobacco Development Company. This company, which was formed by tobacco producers and curers, provided the leaf in this transaction after the British firm and the Monopoly failed to reach an agreement on prices. The Thai Tobacco Development Company borrowed the tobacco from the Monopoly and agreed to replace the same amount from future crops. The average export price of this tobacco was equivalent to about 17 U.S. cents per pound. Thai flue-cured tobacco is thin and neutral almost without aroma and flavor and is only suitable for filler.

**SOVIET UNION BUYING  
GREEK TOBACCO AGAIN**

According to information contained in Die Tabak-Zeitung (Tobacco Gazette - Mainz) of June 29, the Soviet Union has purchased 231,000 pounds of Greek tobacco from the tobacco merchants and the Cooperative Union of Greek Tobacco Growers (SEKE). This is the first reported shipment to the Soviet Union since May 1955. Reportedly, the Soviet Union has expressed a keen desire to purchase significant quantities of Greek tobacco from the 1955 crop. Greece's large leaf exports to the Soviet Union in 1954 were primarily from the 1952 crop. Imports of oriental tobaccos in recent years have exceeded usings in the major importing countries of Western Europe. Rapid stock build-ups have occurred so that any substantial increase in Greece's exports could probably be achieved only through larger takings by the Iron Curtain countries.

**RENEWED NETHERLANDS-U.S.S.R. TRADE  
AGREEMENT INCLUDES TOBACCO**

The Trade Agreement of July 2, 1948 between the Netherlands and U.S.S.R., which was amended by a protocol on June 27, 1956, is valid from January 1, 1956 to January 1, 1957, according to a recent report. The new agreement includes 441,000 pounds of Soviet tobacco as one of the items to be exported in exchange for Dutch commodities. No Soviet leaf was reported as imported by the Netherlands in the period 1947 through 1954, but in 1955 they imported about 40,000 pounds.

## INDIA PLANS TO STUDY TOBACCO EXCISE TARIFFS

The Government of India has appointed a Central Tobacco Inquiry Committee to study existing tobacco excise tariffs and to suggest improvements in collection systems, according to a recent report. The committee will also report on measures for improving control of production and curing of tobacco.

## PHILIPPINE TOBACCO LAW REMAINS UNCHANGED

The recent session of the Philippine Congress did not amend Republic Act 1194. This Act, which became effective in August 1954, provides that: (1) Imports of leaf tobacco (except leaf for cigar wrapper) shall be limited to the quantity which, when added to the total domestic production, would be sufficient to maintain output of tobacco products at a level at least equal to the quantity produced in the preceding fiscal year; and (2) All of the domestic crop of Virginia-type tobacco must be purchased by manufacturers in accordance with a price-supporting schedule, either directly from farmers, dealers or the agricultural credit agency (ACCFA), prior to any determination of a deficiency in domestic production. Reports indicate that the 1956 harvest of Virginia-type tobacco was in excess of domestic requirements. In this connection an announcement was made recently by the Philippine Tobacco Flue-curing and Redrying Corporation that the first export of Philippine flue-cured leaf had been authorized.

## EGYPT MAY GROW TOBACCO

The agricultural policy of Egypt is to maximize the returns from the land and water resources. The aim is to attempt to become self-sufficient in food stuffs, while at the same time improving the export position. One of the prime objectives is the diversification of agricultural production including additional crops for exports which would result in relatively less dependence on cotton exports. However, this is likely to be a very difficult task although larger acreages might be devoted to some other high returns per acre crops, such as tobacco, certain vegetables (particularly onions), sugar cane and rice. There are factors which tend to limit expansion of such crops.

The possibility of growing tobacco in the Nubariah Project along the western edge of the Delta in the Liberation Province is one of the new crops under consideration. The law prohibiting the cultivation of tobacco has been in effect since 1890, but the Council of Ministries on June 9, 1954 agreed to permit the cultivation of tobacco under conditions to be promulgated by the National Production Council and Ministers of Agriculture, Finance and Economy. Currently, the commercial production of tobacco awaits the council's final decision. However, as yet it has not been proved that leaf of acceptable quality can be produced with the soil and climatic conditions of Egypt.

WEST GERMAN TOBACCO  
IMPORTS UP 2.9 PERCENT

Duty-paid imports of unmanufactured tobacco by German manufacturers during the first quarter of 1956 totaled 33.9 million pounds -- up 2.9 percent from the 32.9 million pounds imported during the corresponding period of 1955. Most of the increase occurred in larger takings of oriental tobaccos while imports of cigar leaf declined.

WEST GERMANY: Imports of duty-paid unmanufactured tobacco during the January-March periods, 1955-56

| Country of Origin          | January-March<br>1955 | January-March<br>1956 |
|----------------------------|-----------------------|-----------------------|
|                            | 1,000<br>pounds       | 1,000<br>pounds       |
| United States.....         | 12,109                | 12,406                |
| Turkey.....                | 3,881                 | 4,137                 |
| Greece.....                | 7,648                 | 7,377                 |
| U.S.S.R.....               | 94                    | 530                   |
| Yugoslavia.....            | 225                   | 292                   |
| Bulgaria.....              | 138                   | 730                   |
| Indonesia.....             | 2,274                 | 1,909                 |
| Brazil.....                | 2,671                 | 2,351                 |
| Colombia.....              | 1,505                 | 1,380                 |
| Dominican Republic.....    | 968                   | 1,123                 |
| Italy.....                 | 380                   | 486                   |
| Rhodesia and Nyasaland.... | 365                   | 424                   |
| Other.....                 | 647                   | 727                   |
| Total.....                 | 32,905                | 33,872                |

Source: Der Aussenhandel Der Bundesrepublik Deutschland - Teil 2,  
March 1956.

Imports of oriental tobaccos, mainly from Greece, Turkey, Bulgaria, Yugoslavia and U.S.S.R., were about 1.1 million pounds greater than the January-March 1955 level of 12.0 million pounds. Takings of United States leaf were about .3 million pounds larger than the first quarter of 1955. Total imports from Italy, Japan, India, Communist China, Canada, Rhodesias and Nyasaland, presumably flue-cured, were about 25 percent larger than the .9 million pounds imported last year. Total imports of cigar leaf, mainly from Indonesia, Brazil and Cuba, were about .5 million pounds below the first quarter of 1955. The increase in takings of cigarette leaf reflects a steadily rising output of cigarettes in Western Germany.

### ESTIMATED 1956 PRODUCTION OF TOBACCO IN NORTHERN HEMISPHERE SLIGHTLY BELOW LAST YEAR

Total production of tobacco for harvest in the second half of calendar year 1956 in specified countries of the Northern Hemisphere is estimated at 5.98 billion pounds or about 155 million pounds below the 6.13 billion pounds produced in 1955. The largest expected decreases are in the United States, Greece, Japan and Yugoslavia. The greatest estimated increases are in Canada, Communist China, Italy and Korea.

#### PRODUCTION BY AREAS

##### North America

Production in North America for harvest in the last half of 1956 is forecast at 2,212 million pounds, which is a very large decrease of 153 million compared to the 2,365 million pounds last year.

Output in the United States is estimated at 1,998 million pounds compared to 2,196 million in 1955, chiefly as a result of sharp reductions in the acreages of flue-cured (11.2 percent) and cigar binder (25.9 percent).

The 1956 Canadian crop is estimated at 184 million pounds compared with 135 million in 1955. The increase is due to an expansion in acreage of flue-cured.

Production in Puerto Rico is estimated at 30 million pounds, which is 4 million below the 1955 level due to reductions in both acreage and yield.

##### Europe

Tobacco production in Western Europe in 1956 is estimated at 686 million pounds, 21 million below the 1955 level. Output for all of Europe is estimated at 1.42 billion pounds, which is the same amount as in 1955. Substantial decreases are expected in Greece and Yugoslavia. Spain continues its steep upward trend in acreage and production; output in Italy is expected to increase 8.7 million pounds; and production in France will probably be slightly above that of 1955.

Production in the Iran Curtain countries is estimated at 15 to 20 million pounds more than last year.

##### Africa

Tobacco for harvest in the second half of calendar year 1956 in Africa is estimated at approximately 48 million pounds, about the same as in 1955.

Asia

Total production in Asia for harvest in the last half of 1956 is estimated at 2.3 billion pounds, about the same as in 1955. The more important increases in Communist China, Korea and Iran and slight rises forecast for Iraq and Lebanon are more than offset by expected decreases in Japan, Turkey and Syria.

## PRODUCTION BY KIND

LEAF TOBACCO: Estimated Production by kind, harvested in the second half of calendar year 1956 with comparisons -  
farm sales weight 1/

| Kinds                   | Average      |              | 1955 2/   | 1956 2/   |
|-------------------------|--------------|--------------|-----------|-----------|
|                         | 1935-39      | 1947-51      |           |           |
|                         | pounds       | pounds       |           |           |
| Flue-cured.....         | 1,260,884    | 1,745,194    | 2,397,065 | 2,247,900 |
| Burley.....             | 338,343      | 599,902      | 552,586   | 578,623   |
| Other light air-cured.. | 97,384       | 103,216      | 108,052   | 116,785   |
| Light sun-cured.....    | 621,649      | 718,813      | 682,124   | 678,226   |
| Fire-cured.....         | 147,959      | 122,082      | 91,068    | 91,842    |
| Dark air-cured.....     | 1,286,957    | 1,280,781    | 1,238,843 | 1,232,923 |
| Dark sun-cured.....     | 108,957      | 141,092      | 112,069   | 107,964   |
| Oriental.....           | 649,184      | 725,846      | 953,016   | 925,269   |
| Total.....              | 3/ 4,519,374 | 4/ 5,448,654 | 6,134,823 | 5,979,532 |

1/ Farm sales weight is about 10 percent above dry weight. Normally reported in manufacturing and export statistics.

2/ Preliminary.

3/ Includes 8,057 thousand pounds for Iraq which are not identified by kind.

4/ Includes 11,728 thousand pounds for Iraq which are not identified by kinds.

Production of Burley, other light air-cured and fire-cured for harvest in the second half of 1956 are expected to increase slightly from 1955 levels. The estimated output of all other kinds indicates decreases. The bulk of the decline is due to the drop in flue-cured with most of the remaining decrease in oriental, but slight reductions are also estimated for light sun-cured, dark air-cured and dark sun-cured.

Leaf Tobacco: Estimated acreage and production of specified North Temperate Zone countries harvested in the second half of calendar year 1956 with comparisons -- farm sales weight 1/

| Continent and Country                   | Acreage Harvested  |                |                | Production         |                 |                 |
|---|--------------------|----------------|----------------|--------------------|-----------------|-----------------|
|   | Average<br>1935-39 | 1947-51        | 2/ 1955        | Average<br>1935-39 | 1947-51         | 2/ 1955         |
|   | 1,000<br>acres     | 1,000<br>acres | 1,000<br>acres | 1,000<br>pounds    | 1,000<br>pounds | 1,000<br>pounds |
| <u>NORTH AMERICA:</u>                   |                    |                |                |                    |                 |                 |
| Canada                                  | 69                 | 113            | 110            | 131                | 129,115         | 134,810         |
| United States                           | 1,617              | 1,682          | 1,496          | 1,380              | 1,460,054       | 2,195,788       |
| Puerto Rico                             | 44                 | 35             | 37             | 35                 | 29,393          | 26,921          |
| Total for countries shown               | 1,760              | 1,830          | 1,643          | 1,546              | 1,566,003       | 2,239,093       |
| <u>EUROPE:</u>                          |                    |                |                |                    |                 |                 |
| Austria                                 | 3/                 | 3/             | 1              | 1                  | 3/              | 1,609           |
| Belgium                                 | 6                  | 5              | 3              | 3                  | 9,132           | 1,323           |
| France                                  | 44                 | 70             | 71             | 71                 | 109,070         | 6,085           |
| Western Germany <u>4/</u>               | 33                 | 23             | 27             | 27                 | 74,925          | 119,048         |
| Greece                                  | 226                | 233            | 323            | 300                | 74,355          | 56,437          |
| Italy                                   | 77                 | 112            | 123            | 130                | 132,819         | 185,000         |
| Spain                                   | 5/                 | 16             | 28             | 49                 | 95,511          | 115,327         |
| Sweden                                  | 1                  | 1              | 1              | 59                 | 167,900         | 84,162          |
| Switzerland                             | 1                  | 3              | 3              | 6/                 | 34,425          | 69,639          |
| Yugoslavia                              | 39                 | 89             | 109            | 109                | 859             | 617             |
| Total Western Europe                    | 443                | 574            | 709            | 703                | 2,276           | 4,109           |
| Other Europe (Incl. U.S.S.R.) <u>1/</u> | 711                | 750            | 835            | 852                | 4,689           | 4,390           |
| Total Europe                            | 1,154              | 1,324          | 1,544          | 1,555              | 37,410          | 83,775          |
| Total for countries shown               | 58                 | 78             | 77             | 77                 | 40,633          | 48,081          |
| <u>AFRICA:</u>                          |                    |                |                |                    |                 |                 |
| Algeria                                 | 56                 | 75             | 70             | 70                 | 38,667          | 41,027          |
| French Morocco                          | 1                  | 1              | 3              | 3                  | 704             | 11,000          |
| Tunisia                                 | 1                  | 2              | 4              | 4                  | 1,262           | 3,748           |
| Total for countries shown               | 58                 | 78             | 77             | 77                 | 1,186,411       | 1,217,718       |
| Total for countries shown               | 1,704              | 2,004          | 2,466          | 2,489              | 1,726,327       | 1,943,659       |
| Total excluding Eastern Europe          | 4,455              | 5,006          | 5,416          | 5,335              | 4,308,113       | 5,227,205       |
| TOTAL FOR ALL COUNTRIES SHOWN           | 4,676              | 5,236          | 5,730          | 5,667              | 4,519,374       | 5,148,654       |
| Total for countries shown               | 1,704              | 2,004          | 2,466          | 2,489              | 1,726,327       | 1,943,659       |
| Total for countries shown               | 1,704              | 2,004          | 2,466          | 2,489              | 1,726,327       | 1,943,659       |
| Total for countries shown               | 1,704              | 2,004          | 2,466          | 2,489              | 1,726,327       | 1,943,659       |

1/ Farm sales weight is about 10 percent above average dry weight which is normally reported in export trade statistics. 2/ Preliminary.

3/ Not available.

4/ Data for Western Germany, Hungary, Poland, Romania and Soviet Union. 5/ Includes estimates for Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and Soviet Union. 6/ Less than 500 acres. 7/ Communist China.

## LIVESTOCK AND MEAT TRADE AMONG EUROPEAN COUNTRIES INCREASED IN 1955

The European Economic Co-operation has strengthened the intra-European trade in livestock, meat and meat products among its member nations. The exports of cattle during 1955 from Ireland to United Kingdom, from Denmark to West Germany and Italy, and from France to Germany, Switzerland and Italy have increased substantially over 1954.

The trade in hogs during 1955 was also expanded considerably over 1954. Live hog exports from West Germany, Denmark and the Netherlands accounted for almost 90 percent of the total volume entering in European trade.

All beef importing countries except Sweden increased their exports over 1954. These imports of beef increased from 353,000 tons in 1954 to 464,000 tons in 1955. Exports from Denmark and France to Italy (the main purchaser in the O.E.E.C. countries) and Germany increased considerably in 1955. On the other hand, Ireland's exports to the United Kingdom dropped by over 50 percent. Netherlands' exports doubled. The largest increase occurred in the United Kingdom's imports (1/3 larger than in 1954) and was mainly supplied by Australia and Argentina. The other two large purchasers, Germany and Italy, obtained practically all of their supplies from other O.E.E.C. countries. Germany trebled and Italy doubled their imports. Sweden, which reduced imports by half, bought their meat principally from Denmark and Ireland.

Pork exports too, among O.E.E.C. countries, increased substantially in 1955 over 1954. The main exporters were Denmark and the Netherlands, and the main importing countries were the United Kingdom and France. The Danish exports rose from 35,000 tons in 1954 to 45,000 tons in 1955, and the Netherlands' exports from 9,000 tons to 23,000 tons.

## PORUGAL IMPORTS BREEDING CATTLE FROM U. S.

The Government of Portugal recently purchased 10 Santa Gertrudis bulls and 22 cows in the United States to establish experimental herds for breed improvement. If the imported cattle develop as favorably as expected in their new location, they will be used extensively in artificial breeding centers to cross and upgrade the quality of the local stock.

Apparently the breed improvement project is designed primarily to improve the quality and to a lesser degree the quantity of domestically produced meat in Portugal. However, the pastures and the terrain are not suitable for an expanded livestock industry.

#### URUGUAY ENDS EXPORT PAYMENTS ON WOOL AND WOOL TOPS

The Uruguayan Government terminated all of the "adicionales" (export payments) on greasy wool and wool tops as of June 30, 1956. Export payments were made beginning in September of 1955 to facilitate the disposal of carry-over stocks of wool accumulated from the 1944-55 clip.

The export payment program was a factor in stimulating exports of wool as virtually all of the exportable surplus, including the current season's clip, will have been moved prior to October 1. Growers anticipate that a new import-export control plan will be promulgated with more favorable rates for wool and other exports.

The National Wool Board reportedly is considering a plan involving sales of wool under the auction system beginning with the new marketing season October 1. The Government is not expected to participate in the plan other than possibly by way of providing some sort of financial stimuli to encourage auction sales.

#### BELGIAN LIVESTOCK NUMBERS INCREASE AND PRICES MAINTAINED BY GOVERNMENT

Both cattle and hog numbers in Belgium during 1956 are estimated to be one half and about three and a half percent, respectively, higher than the previous year. The increase in cattle numbers is largely due to farmers keeping a larger number of young stock than normal to expand as well as replace the dairy stock which had been depleted by a T.B. eradication program.

The Belgian government, in an effort to combat the rising beef prices, has permitted the importation of beef with duty discounts. Also in order to boost sagging hog prices, it ordered OCRA, a government agency, to enter the market and prevent hog prices from declining.

#### LIVESTOCK AND MEAT PRICES HIGH IN SPAIN

As a result of a severe winter and shortage of feed in Spain, many farmers were compelled to either kill or market a large number of their livestock. With the improvement of pastures during the spring and summer season, the same farmers were buying animals to replace their stock. The increased demand for live animals has reduced meat production and boosted the price of both meat and live animals. This has resulted in a considerable shortage of meat.

**UNITED KINGDOM'S LARD  
IMPORTS CONTINUE LARGE**

Imports of lard and shortening by the United Kingdom totaled 50,165 metric tons in January-June 1956, 15 percent larger than in the same period of 1955. Imports during the full year 1955 totaled 90,096 metric tons of which 88,502 tons were lard. Most of the imported lard came from the United States.

Lard shipments to the United Kingdom from the United States are being financed under aid programs of the International Cooperation Administration. On July 6 that agency announced authorizations for purchases in the United States amounting to \$4 million. Purchase contracts may extend until June 30 and delivery should be completed under the contracts by November 30. The large shipments are doing much to broaden the market for this product. American lard has a high consumer acceptance in the British market, although it competes with that produced in other countries. During much of the war and in the postwar period until the end of rationing, lard was incorporated into a cooking fat and sold as compound "Marcon". Lard as such was not available to the public generally.

**ARGENTINA MARKETS LARGER VOLUME  
OF CATTLE, HOGS AND WOOL**

Aided by recent favorable prices, both cattle and hog receipts for the second quarter of 1956 were at record levels in Argentina. It was the highest marketings for the past 6 years. Lack of interest in expanding dairy herds has led to increased marketing of young stock. Concern has been expressed by some observers over insufficient replacements for existing herds.

Hog receipts and pork exports increased substantially as a result of aid to the trade which eliminated these exports from exchange controls.

The packing houses are operating at full capacity preparing chilled and canned meat for export.

Sheep slaughter, however, is declining as a result of the attractive price of wool. Wool shipments lately have been above that of last year. Both sheep producers and exporters of wool were in a much stronger position financially than they were in recent years.

RICE CONSUMPTION INCREASING  
IN FRENCH WEST AFRICA

Consumer demand for rice is increasing in French West Africa. Government development schemes and encouragement to producers are partly responsible for a gradual increase in domestic output, and at the same time larger quantities of rice are being imported.

There are varying opinions on the extent of rice acreage and amount harvested in French West Africa. The best official source presently available gives crop data by Provinces as listed in the accompanying table. Some production may not be included in these estimates.

FRENCH WEST AFRICA: Rice acreage and production,  
by Province, 1953

| Province           | 1953           |                       |               |                   |  |
|--------------------|----------------|-----------------------|---------------|-------------------|--|
|                    | Acreage        | Yield<br>(rough rice) | Production    |                   |  |
|                    |                |                       | Rough<br>rice | Million<br>pounds | Milled<br>equivalent 1/<br>Million<br>pounds |
|                    | 1,000<br>acres | Pounds                |               |                   |  |
| Senegal.....       | 143            | 956                   | 136.7         |                   | 96   |
| Sudan.....         | 546            | 727                   | 396.8         |                   | 278  |
| French Guinea..... | 954            | 596                   | 568.8         |                   | 397  |
| Ivory Coast.....   | 361            | 483                   | 174.2         |                   | 122  |
| Haute-Valta.....   | 42             | 683                   | 28.7          |                   | 20   |
| Dahomey.....       | 15             | 2/ 147                | 2.2           |                   | 2  |
| Niger.....         | 12             | 725                   | 8.7           |                   | 6  |
| Total.....         | 2,073          | 635                   | 1,316.1       |                   | 921  |

1/ Rough rice converted at 70 percent. 2/ This yield per acre appears to be unduly low.

Source: Bulletin Statistique et Economique, Mensual No. 12, 1954.

A number of schemes have been started for increasing rice production along the banks of the Niger, Black Volta, Oueme and Mono Rivers, as well as in the mangrove swamps along the coast of Guinea. A new Research Station is located at Kaba, French Guinea, where a program for the development of high yielding varieties and seed renewal to farmers is to be established. Other stations are working on similar problems.

Rice imports into French West Africa during the 1955 calendar year of 246,100,000 pounds were up sharply from the average of 144,000,000 pounds in the preceding 3 years (1952-54). Rice imports prior to World War II (1936-40) averaged 180,000,000 pounds annually.

FRENCH WEST AFRICA: Imports of milled rice,  
by Province, 1952-55

| Province           | 1952                | 1953                | 1954                | 1955                |
|--------------------|---------------------|---------------------|---------------------|---------------------|
|                    | : 1,000<br>: pounds | : 1,000<br>: pounds | : 1,000<br>: pounds | : 1,000<br>: pounds |
| Senegal-Soudan-    |                     |                     |                     |                     |
| Mauritania.....    | 96,456              | 153,509             | 120,960             | 189,582             |
| French Guinea..... | 2,227               | 1,854               | 7,348               | 14,319              |
| Ivory Coast.....   | 20,053              | 4,548               | 19,345              | 36,746              |
| Dahomey.....       | 1,160               | 1,100               | 3,013               | 4,821               |
| Others.....        | 246                 | 244                 | 345                 | 631                 |
| Total.....         | 120,142             | 161,255             | 151,011             | 246,099             |

Source: Bulletin Statistique et Economique Mensual.

Historically, rice has been imported primarily from the French Union countries in Asia. In the latter part of 1955, however, supplies from that area were unavailable, and rice was purchased from other sources, including a sizable quantity from the United States.

The type of rice most desired in French West Africa is a thin grain with a high percentage of brokens. Consumers were pleased with the broken rice imported from the United States in 1955. Greater quantities might be imported from this country in 1956, if supplies of the same type were available. If availabilities from the French Asian countries do not materially increase, a demand can be expected for broken rice imports from the United States of 20 million to 45 million pounds annually but sales against such a requirement may be limited because of price.

APPLE AND PEAR CROPS IN  
UK SUFFER STORM DAMAGE

Reports from fruit-growing areas in the southern part of England indicate that recent winds and storms have damaged apple, pear, cherry, and plum crops as much as 25 to 75 percent. Other parts of England estimated losses of from 50 to 70 percent.

Considerable damage occurred to apples in the Kent area, where an estimated three-fourths of early varieties dropped from the trees. Late varieties, which comprise the majority of the crop, suffered somewhat less; therefore, the damage to the total crop is less than it would appear. The light pear crop also suffered damage from the winds.

MEXICAN BEAN PRODUCTION  
PROSPECTS EXCELLENT - 1956

Prospects are excellent for a large production of beans in Mexico in 1956. There are no quantitative estimates available at this time, but rains have been timely and planting conditions favorable.

Indications are that the 1956 crop may be as large as either of the past two years when production reached record highs of almost 8 million bags. This was almost double the 1940-44 average production of 4.1 million bags.

Notwithstanding the greatly increased production, Mexico continues to import beans, although in recent months imports of beans were only slightly higher than exports. For the 9 months ending April 1956, Mexican imports totaled 180,000 bags and exports 165,000 bags. Imports of beans have exceeded exports since 1950, but prior to that year the reverse normally was true.

With very few years excepted, almost all of the Mexican bean imports since 1935 have come from the United States. Two-thirds of the imports in the last three years have been into the free zone, or fringe areas of Mexico. The free zone includes Lower California, the Northwest section of the State of Sonora, and Quintana Roo--the State in the Gulf of Mexico east of Yucatan. Imported U. S. beans have been used to meet varietal preferences of certain Mexican consumers and for seed.

BEANS: Mexican Imports and Exports 1935 to date

| Years        | Imports               | Exports |
|--------------|-----------------------|---------|
| Average:     | 1,000 of 100-lb. bags |         |
| 1935-39..... | 19                    | 35      |
| 1940-49..... | 6                     | 85      |
| Annual:      |                       |         |
| 1950-51..... | 1                     | 18      |
| 1951-52..... | 200                   | 1/      |
| 1952-53..... | 1,288                 | 1/      |
| 1953-54..... | 1,024                 | 1       |
| 1954-55..... | 290                   | 6       |
| 1955-56..... | 181                   | 164 2/  |

1/ Negligible.

2/ 9 Months, July 1955 through April 1956.

#### ITALIANS MAY INCREASE DUTY FREE QUOTA OF SEED POTATOES

Italian authorities are considering increasing the duty free quota for seed potatoes from 770,000 to 880,000 cwt. for the 1956-57 season. Practically all of the seed potato imports originate in Northern Europe.

#### NETHERLANDS' FRUIT CROP DAMAGED

Trade circles report that fruit in the Netherlands has been heavily damaged by unfavorable weather. In the Zeeland Province pears have been more severely damaged than apples. Unofficial reports indicate that 15 to 20 percent of the fruit is a total loss and that the quality of the balance has been damaged.

#### INDONESIA OFFERS NEW INDUCEMENT TO EXPORTERS

Effective August 6 Indonesia adopted a new policy for promoting exports by giving premiums in the form of export promotion certificates in foreign exchange. This new policy supersedes the previous system of export premiums paid in local Indonesian currency.

These premiums, paid to the exporters, range from 3 to 20 percent of the f.o.b. price stipulated in the foreign currency contract and may be used for imports, foreign travel, and for other purposes. They are also negotiable. There are approximately 30 commodities included under this measure, among which are copra, coffee, pepper, tobacco, skins nutmeg, coconut, palm nuts, fibers, kapok, rubber, and tea. Refined sugar and cinchona are not included.

#### CEYLON ANNOUNCES CHANGES IN IMPORT REGULATIONS

The Government of Ceylon on July 27 announced that the following agricultural commodities have been placed on open general licence permitting importation from dollar areas: prepared cereal foods; skimmed preserved milk; raw sugar; cotton; stearic acid; oils, fats, and resins not elsewhere specified; most unrefined animal oils, fats, and greases; and most vegetable oils, fats, and greases. Prior to the announcement importation of these commodities from dollar areas was either prohibited or permitted only under individual import licenses with limits on foreign exchange allocations.

DUTCH PEA CROP SUFFERS  
WEATHER DAMAGE

Wet weather in Holland this year has caused heavy damage to the dry pea crop. Estimates of damage are not yet available, but Dutch production constitutes a major factor in the total European crop. In 12 countries of Western Europe last year's total production was estimated at 8.6 million bags of which 2.8 were in Holland alone.

Similar, though more widespread, damage in Europe in 1954 caused heavy demand by European importers for U. S. peas during the winter of 1954-55.

PANAMANIAN BANANA CROP SEVERELY  
DAMAGED BY HIGH WINDS

On July 30, high winds severely damaged banana plantations on the Pacific Coast of Panama. It is estimated that approximately 2.5 million banana plants were blown down. About 50,000 plants were blown down in April. Monthly exports are expected to drop from 550,000 to 200,000 stems. Full production cannot be attained before 1957.

CEYLON'S EXPORTS OF COCONUT  
PRODUCTS UP IN FIRST QUARTER

Ceylon's exports of both copra and coconut oil during January-March 1956 were up from those of the same period in 1955. However, because of the drought early in the year (page 747, Foreign Crops and Markets, May 28, 1956), it is very doubtful that this rate of export will continue.

Copra exports at 12,409 long tons were almost double the 6,792 tons shipped during the first quarter of 1955. The major part of this increase was in exports to India, the biggest buyer of Ceylon's copra.

Coconut oil exports at 19,618 tons were 13 percent greater than during the same period in 1955. As may be seen in the table on the next page, exports to West Germany, the Netherlands, the United Kingdom and India were up considerably while those to Canada were down. Exports to China, which accounted for 2,200 tons during the first quarter last year, were nil during the same period in 1956.

CEYLON: Copra and coconut oil exports,  
average 1935-39, annual 1954-55 and January-March 1955-56

(Long Tons)

| Country                | Copra              |                          |                 | Coconut oil              |                    |        |                 |                          |
|------------------------|--------------------|--------------------------|-----------------|--------------------------|--------------------|--------|-----------------|--------------------------|
|                        | Average<br>1935-39 | 1954                     | 1955 1/<br>1955 | January-March 1/<br>1956 | Average<br>1935-39 | 1954   | 1955 1/<br>1955 | January-March 1/<br>1956 |
| Canada                 | -                  | -                        | -               | -                        | -                  | 8,523  | 5,191           | 15,200                   |
| West Indies            | -                  | -                        | -               | -                        | -                  | 881    | -               | -                        |
| Denmark                | 1,605              | -                        | -               | -                        | 35                 | -      | -               | -                        |
| France                 | 354                | -                        | -               | -                        | 347                | 100    | 200             | 100                      |
| Western Germany        | 1,482              | -                        | -               | -                        | 1,200              | 647    | 4,217           | 301                      |
| Greece                 | 1,526              | -                        | 2               | -                        | 120                | -      | -               | -                        |
| Italy                  | 6,541              | -                        | -               | -                        | 1,724              | 17,004 | 23,690          | 4,017                    |
| Netherlands            | -                  | -                        | -               | -                        | -                  | 6,186  | 12,860          | 1,946                    |
| Sweden                 | -                  | -                        | -               | -                        | 3,573              | 2,019  | 95              | 10                       |
| Switzerland            | -                  | -                        | -               | -                        | 84                 | 1,037  | 1,813           | 473                      |
| United Kingdom         | 420                | -                        | -               | -                        | 14,160             | 6,110  | 10,572          | 694                      |
| Other Europe           | 4,573              | -                        | -               | -                        | 5,913              | 626    | 395             | 10                       |
| China                  | -                  | -                        | -               | -                        | 2/                 | 10,000 | 2,200           | 2,200                    |
| Cyprus                 | -                  | -                        | -               | -                        | 146                | 155    | 134             | 1                        |
| India                  | 42,553             | 39,189                   | 63,440          | 6,450                    | 12,031             | 10,769 | 12,154          | 11,683                   |
| Iraq                   | 20                 | 115                      | 774             | 81                       | 101                | 403    | 173             | 173                      |
| Pakistan               | -                  | 6,568                    | 3,915           | 164                      | 211                | -      | 1,324           | 5,600                    |
| Israel                 | -                  | -                        | -               | -                        | -                  | 15     | 51              | -                        |
| Syria                  | 60                 | -                        | -               | -                        | -                  | 164    | 38              | 34                       |
| Other Asia             | 360                | 149                      | 218             | 95                       | 66                 | 2,406  | 3,496           | 3,664                    |
| Egypt                  | 425                | -                        | -               | -                        | -                  | 2,433  | 790             | 3,331                    |
| Union of South Africa  | -                  | -                        | -               | -                        | -                  | -      | -               | -                        |
| Other Countries        | 8                  | 4                        | 4               | 2                        | -                  | 2,597  | 162             | 295                      |
| Total                  | 59,927             | 46,025                   | 68,353          | 6,792                    | 12,409             | 59,013 | 68,916          | 97,226                   |
| <u>IV Preliminary.</u> | <u>2/</u>          | <u>Less than .5 ton.</u> |                 |                          |                    |        |                 |                          |

Compiled from official sources

**U.S. JUNE COTTON IMPORTS  
DOWN TO 4,000 BALES**

United States imports of cotton (for consumption) in June 1956 amounted to 4,000 bales (500 pounds gross) compared with imports of 12,000 bales in May 1956, and 9,000 bales in June 1955.

Imports for the 11-month period August-June 1955-56 amounted to 135,000 bales, declining 4 percent below imports of 140,000 bales in the same months of 1954-55. Decreases in imports from Egypt and India compared with those of the previous season more than offset the increased imports from Pakistan, Mexico, and Peru. These countries were the principal sources of United States cotton imports, with Egypt accounting for 44 percent of total imports during August and June 1955-56.

**UNITED STATES: Imports of cotton by countries of origin;  
averages 1935-39 and 1945-49; annual 1953 and 1954;  
and August-June 1954-55 and 1955-56**

(Bales of 500 pounds gross)

| Country of origin | Year beginning August 1 |         |      | August-June |         |         |
|-------------------|-------------------------|---------|------|-------------|---------|---------|
|                   | Average                 |         | 1953 | 1954        | 1954-55 | 1955-56 |
|                   | 1935-39                 | 1945-49 |      |             |         |         |
| 1,000 bales       |                         |         |      |             |         |         |
| Brazil.....       | 3                       | 1       | 2    | 1           | 1       | 1       |
| China.....        | 1/ 31                   | 2/ 3/   | 0    | 0           | 0       | 0       |
| Egypt.....        | 63                      | 103     | 77   | 4/ 73       | 65      | 59      |
| India.....        | 67                      | 103     | 18   | 17          | 17      | 5       |
| Mexico.....       | 23                      | 19      | 17   | 20          | 20      | 22      |
| Pakistan.....     | 5/                      | 6/ 12   | 14   | 11          | 11      | 22      |
| Peru.....         | - 1                     | 23      | 8    | 22          | 21      | 23      |
| Sudan.....        | 7/                      | 1/ 4    | 7    | 3           | 3       | 2       |
| U.S.S.R.....      | 2/ 5                    | 6/ 1    | 1    | 1           | 1       | 1       |
| Others.....       | 0                       | 0       | 1    | 2           | 1       | 3/      |
| Total 8/.....     | 9/ 185                  | 9/ 260  | 145  | 150         | 140     | 135     |

1/ 4-year average. 2/ 2-year average. 3/ Less than 500 bales. 4/ Includes 147 bales transshipped via Italy. 5/ Included with India prior to partition in 1947. 6/ 3-year average. 7/ Included with Egypt prior to 1942. 8/ Includes small quantities which are reexported each year. 9/ Total does not add due to partial averages.

**ETHIOPIA PUTS IMPORT DUTY  
ON U. S. RAW COTTON**

Ethiopia has placed an import duty on raw cotton which heretofore has been duty free. The new import duty made effective on April 18, 1956, is equivalent to about 1.9 U. S. cents a pound at current exchange rates.

United States exports of cotton to Ethiopia totaled about 8.8 thousand bales (500 pounds gross weight) in the 1954-55 crop year, but declined to about 1.3 thousand bales in the first 10 months of the 1955-56 crop year. This decline is attributed primarily to the relatively high price of United States cotton in world markets, and is not connected with the new import duty which applies equally to cotton from all sources.

**RAINS REDUCE 55-56 AUSTRALIAN  
COTTON ESTIMATE TO 3,000 BALES**

Excessive rains during the growing and harvesting seasons have reduced the estimate of Australia's 1955-56 cotton crop to 3,000 bales (500 pounds gross weight), according to a report of the Queensland Department of Agriculture and Stocks. This compares with 4,300 bales harvested in the previous season. Acreage in the two seasons has been estimated at about 13,000 acres, compared with a target of 20,000 acres. Despite efforts to increase cotton production, low yields per acre have been obtained principally as a result of unfavorable weather in the cotton growing area of Queensland.

**U.K. ANNOUNCES IMPORT QUOTAS  
FOR NORTH AMERICAN APPLES**

The Board of Trade and the Ministry of Agriculture announced that during the 1956-57 season imports of apples from North America (Canada and the United States) will be permitted to a total value of \$3.5 million f.o.b. Licenses for imports will not be valid until November 16, 1956, and imports between that date and December 31, 1956, will be limited to a value of \$840,000 f.o.b.

This early announcement was made in order to assist producers to plan their marketing arrangements. Further details of the import licensing arrangements will be announced by the Board of Trade shortly.

### INDIA INCLUDES DAIRY EXPANSION UNDER SECOND FIVE-YEAR PLAN

The Republic of India will obtain improved town and city milk supply under its Second 5-year Plan (1956-61) through the formation of 36 cooperative milk unions. Milk production and collection will be managed on a cooperative basis; groups of villages will form an assembling center or rural creamery, where the bulk of the milk collected will be chilled for shipment to larger factories. The remainder will be separated for cream and butter and ghee production locally, with the skim milk going to fluid use. Twelve of these creameries are planned for various areas in India, where milk collections will total 8,000 to 16,500 pounds per day.

Seven milk product factories, capable of a daily intake of 24,700 to 41,100 pounds, are to be established in Calcutta, Madras, Bombay, and Delhi, while some existing factories will be expanded beyond their present size. These plants will receive the chilled milk from the rural creamery centers.

To meet the growing production requirements, milk producers in the village cooperatives will be furnished with the facilities for purchasing, feeding, and managing the dairy animals.

The total capital outlay for these projects is estimated at \$43.7 million. Of this amount, Uttar Pradesh, one of India's dairy states, will receive, for example, \$2.1 million to establish 5 milk unions, 2 milk powder plants, 10 ghee grading stations, and a state milk board to coordinate and promote the activities of the various supplying and manufacturing agencies.

### BURMA PLACES MILK PRODUCTS IN "ESSENTIAL" CLASSIFICATION

Milk and milk products were included in recent Declarations by the Civil Supplies Management Board, Import Branch of the Government of Burma; the Declarations were dated June 12, 1956.

Declaration No. 1 includes "Milk and Milk Products" under the provisions of paragraph 4 of the Civil Supplies Control Order of 1951, and declares that they come under the "essential" category for the purpose of taking necessary action in order to control their procurement, distribution, or prices in the public interest.

Declaration No. 2 specifies that, under the provisions of paragraph 5 of the Civil Supplies Control Order of 1951, the Commissioner of Civil Supplies has directed that, except under license/permit issued by the Commissioner, no person shall sell, obtain, or keep in possession for sale or otherwise dispose of the essential commodities listed below, and no person shall possess any of the said essential commodities for personal consumption or use in more than a reasonable quantity. Included in this list of essential commodities were: Imported sweetened condensed milk, unsweetened evaporated milk, and infant and invalid milk food. Sugar was the only other food product listed.

### U. K. REPORTS INCREASED MILK PRODUCTION IN JUNE

During June, total sales of milk through the United Kingdom's Milk Marketing Schemes are estimated to have reached 2,097 million pounds, an increase of approximately 5 percent over the same month of 1955. Liquid consumption took 1,315 million pounds, compared with 1,296 million pounds in June, 1955.

Manufacturing accounted for 782 million pounds. Of this quantity, 36 percent went to cheese-making, 26 percent to butter, 25 percent to condensed milk, 8 percent to dried milk and 5 percent to cream. (See Foreign Crops, June 11, 1956).

Peak milk production was reached in early June. Since then, the pattern of production has been following the normal seasonal decline.

### NEW ZEALAND BUTTER PRODUCTION IS EXPECTED TO SET RECORD

Based on reported production for eleven months, New Zealand's creamery butter production for the 1955-56 season is estimated at approximately 449 million pounds. This output would eclipse 1954-55 production by 7 percent and the previous record season, 1952-53, by a little more than one percent.

Cheese production is expected to be about 213 million pounds, compared with 228 million pounds a year ago.

### U. K. REQUIRING FEEDING OF DRIED MILK TO IN-TRANSIT LIVESTOCK

The United Kingdom Ministry of Agriculture, Fisheries and Food and the Secretary of State for Scotland have joined in the issuance of an order which limits the feeding of milk to livestock in transit to milk which has been reconstituted from dried milk. The order thus bans the feeding of raw milk.

The order was the result of a recommendation by a committee concerned with the incidence and transmission of foot-and-mouth disease. The purpose of the regulation is to safeguard against the spread of the disease arising from the feeding of calves with raw milk which might be infected.

### EL SALVADOR DAIRYMEN ASK BAN ON DRY MILK IMPORTS

Spokesmen for dairy interests in El Salvador have demanded the imposition of a protective tariff on dry milk imports. The matter has been referred to a committee which is studying the milk and cattle industry of the country. Represented on the committee are the Ministries of Agriculture, Finance, Economy, Social Assistance and the Cattlemen's Association.

Imposition of a tariff on dry milk products would undoubtedly seriously hamper the development of Salvador's milk recombining industry. Present milk output in the country is sufficient for only about one-seventh of the requirements. To augment the milk supply in the dry season, flush season production is being processed and recombined as raw milk supplies drop off. However, local production was not expected to meet all the demands for dried milk and considerable imports of nonfat dry milk and butterfat were expected to supply the industry. (See Foreign Crops and Markets, May 28, 1956.)

### U.S. COTTON EXPORTS AIDED BY P.L. 480

The Agricultural Trade Development and Assistance Act of 1954, popularly called P. L. 480, was enacted by the 83rd Congress to reduce surpluses of many basic agricultural commodities which had mounted since 1952, as well as to stimulate exports of these commodities, and to provide aid to foreign countries. The Act became effective on July 1, 1954. Title I of P. L. 480 provides for the sale of up to \$3.0 billion worth of surplus agricultural commodities to foreign countries through private trade channels in exchange for foreign currencies. Title II of the Act provides authority for donation of up to \$500 million worth of surplus agricultural commodities to friendly foreign nations to meet flood, famine, and urgent or extraordinary relief requirements. Title III contains provisions for donations of surplus agricultural commodities for distribution abroad and for barter transactions with friendly foreign countries.

Title I agreements for sales of \$260.5 million worth of cotton amounting to about 1.7 million bales have been made between the United States and 14 other countries from the time the law became effective in July 1954 through June 1956. A total of 716.5 thousand bales had been sold (sales registered with CCC) for export under Title I through June 1956. Recent information showed that through July 27, 1956, the amount sold had increased to 860.5 thousand bales, or one-half of the 1.7 million bales covered in existing agreements. This left on July 28, 1956, approximately 852.1 thousand bales covered by agreements for which no sales had been registered. In the 1954-55 fiscal year, sales registered with CCC totaled only 60.3 thousand bales, but this amount increased to 656.2 thousand bales in the 1955-56 fiscal year.

Through June 1956, sales of cotton have been completed on seven Title I purchase authorizations covering about 336.6 thousand bales or about \$59.2 million worth of cotton. Under 23 other authorizations about 39 percent of the 977.1 thousand bales authorized had been sold through June 1956. Sales had not been opened on three Title I agreements providing for the sale of \$55.8 million worth of cotton or 398.6 thousand bales.

Sales of cotton for export under the Title I program have moved at only a moderate rate, because of relatively high prices of United States cotton in world markets. However, cotton activity under the program has increased in recent weeks, and in coming months should continue to receive stimulus from: (1) the new cotton export sales program under which cotton bought from CCC stocks at competitive world market prices is eligible for delivery against Title I export sales; (2) the new credit terms offered by CCC to exporters; and (3) the extension to September 30, 1956, of final delivery dates under certain Title I authorizations which otherwise would have expired prior to that date, thus permitting purchase of cotton under the authorizations at the lower prices effective for cotton to be exported after July 31, 1956. Also, in late July 1956, the 84th Congress increased the Title I - authorized amount for all commodities from \$1.5 billion to \$3.0 billion. Under this provision, an increase could be made in the quantity of cotton available for sale under the program in the 1957 fiscal year.

Significant developments in the Title I cotton program through June 1956 include the following: (1) triangular agreements under Title I have provided opportunities for expanding consumption of cotton textiles in countries such as Pakistan, Burma, and Indonesia, which could not have purchased the additional textiles except with their local currency; (2) with the help of sales for local currencies, exports to countries traditionally using large quantities of United States cotton such as Japan have been maintained despite the over-all drop in United States exports; (3) United States exports of cotton to countries actively participating in the Title I program from August through April of the 1955-56 season declined only 16 percent from the level of exports in the same months of 1954-55, compared with a decline of 66 percent in exports to countries not actively participating, and a drop of 47 percent in United States cotton exports to all countries combined; (4) sales under Title I have enabled several countries to introduce new improved qualities of cotton goods.

The Title I program, in addition to facilitating the export of surplus cotton, has provided the means for developing projects designed to increase the consumption of United States cotton in foreign countries. These projects are financed by use of local currencies accruing from P. L. 480 sales together with funds contributed by United States and foreign trade groups.

The National Cotton Council of America is cooperating with the Foreign Agricultural Service in developing cotton market research and sales promotion in a number of foreign countries. Funds generated under Title I are also being used in planning and developing cotton exhibits at foreign trade fairs, in cooperation with the National Cotton Council of America.

Cotton exports for relief purposes under provisions of Title II, P. L. 480, have been relatively small, totaling only 32.3 thousand bales through June 1956. Cotton's place in the Title II program is not a large one since food is usually the primary need in a disaster area. In some instances, cotton has been supplied as a means of generating local currency for relief aid. In other cases, cotton has been manufactured within the recipient country into articles such as mattresses, sheets, towels, and hospital supplies, for free disposition to institutions such as orphanages, homes for the aged, and hospitals for the destitute. This filled a need which otherwise would have been difficult to meet.

No cotton exports have been reported under Title III provisions which permit donations of agricultural surpluses for distribution abroad. Barter transactions as reported by CCC and in this report refer to those exchanges covered by several legal authorities, including Title III of Public Law 480.

Exports of cotton under the barter program totaled only 1.3 thousand bales in the fiscal year 1954-55, but increased to 55.0 thousand bales in fiscal year 1955-56, according to preliminary estimates. Although cotton exports under barter during the first 5 years of the program, fiscal years 1949-50 through 1953-54, totaled 56.0 thousand bales, the principal barter exports more recently have been food and feed grains because of relatively high prices of United States cotton in world markets. However, barter exports under the present competitive cotton export program in the fiscal year 1956-57 are expected to be considerably larger than in the fiscal year 1955-56.

A more complete report on this subject, including 3 statistical tables, has been released in Foreign Agriculture Circular FC-6-56, which is available on request.

PORUGAL TEMPORARILY CUTS IMPORT DUTY ON PEANUT OIL,  
WAIVES DUTY ON RE-EXPORTED OLIVE OIL

By a law-decree published July 20, Portuguese import duties on foreign peanut oil have been reduced by 60 percent through the end of the crop year ending October 30, 1956. The same decree completely waives import duties on olive oil which is imported to replace equivalent quantities of exports. The reduction of the peanut oil duty was applied retroactively to quantities cleared after April 18, 1956. According to the preamble of the decree these measures were taken, in view of the short 1955/56 olive crop, to assure domestic requirements of edible oil "without excessive burdens", at the same time favoring continued exports of olive oil.

Normally, foreign peanut oil is subject to payment of an import duty of 60 gold escudos per metric ton, plus a surtax amounting to 60 percent of this duty, for a total duty equivalent to about \$82 per ton at the exchange rate of \$0.85 $\frac{1}{2}$  per gold escudo. Hence, the reduced duty in effect for the current crop year should be equivalent to about \$33 per ton.

Virtually all Portuguese imports of peanut oil (the only oil admitted by law for food use, in addition to olive oil) traditionally come from Portuguese possessions. Such imports normally enjoy a reduction of 60 percent below the basic duty rate applied to similar imports from foreign countries, and they pay only a 20 percent surtax. While the decree does not mention peanut oil imported from Portuguese possessions, it is believed, on the basis of similar actions in the past, that the temporary reduction of 60 percent below the normal duty was automatically extended to the possessions. In addition, it is assumed that current restrictions on dollar imports will not be relaxed.

The complete waiver of the duty on olive oil replacing domestic exports supersedes the 80 percent reduction decreed in June, 1954 for olive oil duties during "off years." It also lifts the limitation on acidity which had been established by the previous measure.

The Government is reportedly continuing to enforce the temporary measure announced last May which requires 50/50 blending of olive and peanut oils for consumption this crop year. (See Foreign Agricultural Circular No. FFO 7-56, July 19, 1956)

U. S. COTTON EXPORTS DECLINE  
IN JUNE

Exports of cotton from the United States in June 1956 amounted to 247,000 bales of 500 pounds gross (238,000 running bales), declining 32 percent from May 1956 exports of 361,000 bales (344,000 running bales), and 16 percent from exports of 293,000 bales (281,000 running bales) in June 1955.

Exports during the 11-month period August-June 1955-56 amounted to 2,179,000 bales (2,080,000 running bales) or 38 percent below exports of 3,524,000 (3,388,000 running bales) during August-June 1954-55. United States cotton exports by country of destination will be published in Foreign Crops and Markets next week.

MALAYA'S COPRA EXPORTS  
DOWN ALMOST TWO-THIRDS

Copra exports from Malaya during the first quarter of 1956 continued to run below those of the previous year. Exports during the January-March period totaled only 5,717 long tons as compared with 15,561 tons last year. The sharp decrease in exports is reportedly due to increasing consumption by the oil mills. Also, imports of copra into Singapore are declining and with what supplies there are being used in the production of coconut oil, there is little left for the re-exporter and the warehouse trade.

MALAYA: Copra exports and imports, average 1935-39, annual  
1954-55, and January-March 1955-56

(Long tons)

| Country                 | Average: | 1954     | 1955 1/ | January - March |         |
|-------------------------|----------|----------|---------|-----------------|---------|
|                         | 1935-39: |          |         | 1955            | 1956 1/ |
| Exports                 |          |          |         |                 |         |
| Denmark.....            | 2,050    | 4,350    | 2,600   | 1,900           | -       |
| France.....             | 8,578    | 4,100    | 1,948   | 298             | 530     |
| Italy.....              | 11,322   | 3,550    | 150     | 100             | -       |
| Netherlands.....        | 28,956   | 10,337   | 12,695  | 5,495           | 100     |
| Norway.....             | 4,703    | 300      | 1,375   | 525             | -       |
| Poland.....             | 3,358    | 1,500    | -       | -               | 800     |
| Spain.....              | -        | 561      | 9,917   | 1,747           | 2,450   |
| Sweden.....             | 1,850    | 12,525   | 1,600   | 1,200           | -       |
| United Kingdom.....     | 57,750   | 100      | -       | -               | -       |
| Western Germany.....    | 246,384  | 6,622    | 3,898   | 2,498           | -       |
| Other Europe.....       | 2,825    | 3/4,222  | 4/1,800 | -               | 4/1,000 |
| India.....              | 535      | 13,166   | 1,247   | 242             | 542     |
| Japan.....              | 2,483    | -        | -       | -               | -       |
| Other Asia.....         | 959      | 2,754    | 4,826   | 1,456           | 295     |
| Other countries.....    | 19,938   | 811      | 363     | 100             | -       |
| Total.....              | 191,691  | 64,898   | 42,419  | 15,561          | 5,717   |
| Imports                 |          |          |         |                 |         |
| British posessions..... | 10,617   | 4,396    | 1,966   | 692             | 339     |
| Indonesia.....          | 105,500  | 117,744  | 113,531 | 33,765          | 26,338  |
| Other countries.....    | 2,134    | 5/10,229 | 1,998   | 1,068           | 237     |
| Total.....              | 118,251  | 132,369  | 117,495 | 35,525          | 26,914  |

1/ Preliminary. 2/ Total Germany. 3/ Includes 3,487 tons to Finland.

4/ All to Finland. 5/ Includes 4,989 tons from Thailand.

Compiled from official statistics.

Coconut oil exports during the first quarter were down about 4 percent from the corresponding quarter of 1955. Malaya, however, is becoming entirely an exporter of coconut oil; not only are the Malayans tending to process all the copra they produce but they are seeking increasingly to import more copra in order to keep the oil mills running at full capacity.

MALAYA: Coconut oil exports and imports, average 1935-39, annual 1954-55, and January-March 1955-56

(Long tons)

| Country                    | Average:           | 1954<br>1935-39 | 1955<br>1/ | January-March |            |
|----------------------------|--------------------|-----------------|------------|---------------|------------|
|                            | 1955               |                 |            | 1955          | 1956<br>1/ |
|                            | 1955               |                 |            | 1955          | 1956<br>1/ |
| <b>Exports</b>             |                    |                 |            |               |            |
| France.....                | 100:               | -               | 1,938:     | -             | 545        |
| Italy.....                 | 20:                | 6,253:          | 10,049:    | 3,924:        | 1,346      |
| Netherlands.....           | 822:               | 2,403:          | 10,663:    | 2,077:        | 1,363      |
| Sweden.....                | 185:               | 1,739:          | 2,007:     | -             | 566        |
| United Kingdom.....        | 8,857:             | 2,506:          | 15,343:    | 2,862:        | 8,407      |
| Western Germany.....       | 100:               | 2,952:          | 8,971:     | 2,640:        | 1,526      |
| Other Europe.....          | 190: <sup>2/</sup> | 990:            | 1,025:     | -             | 872        |
| Burma.....                 | 3,908:             | 26,029:         | 6,481:     | 1,934:        | 574        |
| China.....                 | 2,028:             | 19,757:         | 14,974:    | 4,075:        | 500        |
| Formosa.....               | -                  | 924:            | 787:       | 197:          | 9          |
| Hong Kong.....             | 1,391:             | 890:            | 1,434:     | 239:          | 340        |
| India.....                 | 22,500:            | 11,847:         | 11,559:    | 2,930:        | 2,539      |
| Indonesia.....             | 3,119:             | 171:            | 231:       | 59:           | 52         |
| Pakistan.....              | -                  | 385:            | 867:       | -             | 50         |
| Egypt.....                 | 3,295:             | 813:            | 926:       | 101:          | 490        |
| Union of South Africa..... | 325:               | 601:            | 2,676:     | 167:          | 1,286      |
| Other countries.....       | 269:               | 966:            | 1,895:     | 524:          | 497        |
| Total.....                 | 47,109:            | 79,226:         | 91,826:    | 21,729:       | 20,962     |
| <b>Imports</b>             |                    |                 |            |               |            |
| British posessions.....    | 16:                | 460:            | 562:       | 141:          | 167        |
| Indonesia.....             | 328:               | 258:            | 89:        | 17:           | 1          |
| Other countries.....       | 229:               | -               | -          | -             | -          |
| Total.....                 | 573:               | 718:            | 651:       | 158:          | 168        |

1/ Preliminary.

2/ All to Yugoslavia.

Compiled from official statistics.

It was announced on last May 9 that foreign freight rates on coconut oil from Malaya to Europe were increased about 30 percent. This is considered to be a distinct disadvantage to Malayan oil millers.

Demand for coconut oil, however, is reported to be good and there is little difficulty in disposing of all available supplies. The United Kingdom continues to be the chief buyer of Malayan coconut oil. The United Kingdom, Burma, and Hong Kong have been the principal buyers of refined oil.

#### INDIA REDUCES EXCISE TAX ON COTTONSEED OIL TO STIMULATE CRUSHING

A fifty-percent cut has been made for cottonseed oil in the recently-announced processing tax on factory-produced vegetable oils in India. The Finance Act of 1956 reduces the levy on cottonseed oil from the originally imposed (see Foreign Crops and Markets, March 26, 1956) Rs 70 per long ton (0.65 cents per pound) to Rs 35 per ton (0.32 cents per pound). The Rs 70 rate still applies to all other vegetable oils produced by Indian mills, beyond the annual exemption of 125 tons per mill.

The reduction of the tax on cottonseed oil was reportedly decided upon in order to encourage crushing of cottonseed, which currently is believed to utilize only about 12 percent of the total crop, with the bulk being used for cattle feed and fertilizer. Concomitantly, a larger use of cotton linters in the rayon industry is hoped for.

#### GREECE OFFICIALLY ESTABLISHES "STANDARDIZED OIL" BLEND

Distribution and sale of a 50/50 mixture of natural edible olive oil and refined seed oil under the label "Standardized Oil" has been officially sanctioned by the Government of Greece. A Market Police Order (No. 33, which became effective on May 20, 1956) establishes a series of regulations regarding composition, quality, packaging, labeling, and retailing of the new quality as well as qualifications of firms permitted to prepare this blend. Also it forbids further production and sale of the so-called cooking oil consisting of 15 percent olive oil and 85 percent seed oil, or of any other mixture of olive and seed oils except the new "standardized" blend.

## CANADA REPORTS RECORD FLAXSEED AND INCREASED SOYBEAN ACREAGE

Preliminary estimates of the Dominion Bureau of Statistics indicate that Canada's 1956 flaxseed acreage is at an all-time high and that soybean acreage is the second largest of record.

While the seeded acreage in flaxseed, placed at 3,141,000 acres, is 18 percent below indicated intentions announced early in the season (See Foreign Crops and Markets of April 2, 1956), it is 5 percent greater than the previous record acreage, which was planted in 1943. Moreover, it reflects an increase of 71 percent from 1955.

With the 10-year (1946-55) average yield of 9 bushels per acre, output could exceed 28 million bushels. The yield in 1955, however, averaged 10.8 bushels.

Soybean acreage, estimated at 228,000 acres, is 10 percent greater than farmers' intentions had indicated in March, 7 percent greater than the 1955 acreage, but 10 percent less than the record 254,000 acres planted in 1954.

If the yields should equal the 10-year average of 21.9 bushels per acre, output of soybeans would approximate 5 million bushels. In 1955 production reached 5,650,000 bushels with the average yield at 26.4 bushels.

## COPRA DOWN, COCONUT OIL UP IN PHILIPPINE JULY EXPORTS

Philippine exports of copra in July decreased more than 10 percent from the previous month, while exports of coconut oil rose sharply. Prices in mid-August were essentially the same as a month earlier.

Equivalent in terms of copra to 88,664 long tons the July export volume reflected a loss of 7 percent from a month earlier, but a gain of 13 percent from July 1955. Cumulative shipments of copra and coconut oil in the January-July period totaled 611,500 tons copra equivalent, nearly 29 percent more than the 475,869 tons in the corresponding period of 1955.

Copra exports in July, totaling 71,107 tons, again--as in recent months--went predominantly to Europe. By destination and quantity, they were as follows: United States--27,407 tons (Pacific Coast-21,417, Atlantic Coast-5,990); Belgium--500; Denmark--2,000; Germany--10,900; Italy--3,500; Netherlands--10,100; Sweden--5,750; Europe unspecified--6,750; Lebanon--500; Colombia--2,000; Venezuela--1,000 and South America unspecified--700. January-July copra exports at 520,016 tons were up one-fourth from the 413,039 tons exported in the comparable period of 1955.

Coconut oil exports last month totaled 11,061 tons. Shipments were as follows: United States--10,094 tons (Pacific-350, Atlantic-9,744); Netherlands--517 and Europe unspecified--450.

The copra export price in mid-August was \$152.50 per short ton c.i.f. Pacific Coast (mid-July \$146.00 to \$147.50; mid-June \$147.50 and mid-May \$167.50). Local buying prices were reported at 23.5 to 26 pesos per 100 kilograms (\$119.39 to \$132.09 per long ton) resecada, Manila and producing areas.

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